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TO RUEHC/SECSTATE WASHDC PRIORITY 6788
INFO RUEHAC/AMEMBASSY ASUNCION 7700
RUEHBO/AMEMBASSY BOGOTA 5056
RUEHBR/AMEMBASSY BRASILIA 8968
RUEHB/AMEMBASSY BUENOS AIRES 6189
RUEHCV/AMEMBASSY CARACAS 3402
RUEHGE/AMEMBASSY GEORGETOWN 0638
RUEHPE/AMEMBASSY LIMA 3623
RUEHMD/AMEMBASSY MADRID 3917
RUEHMN/AMEMBASSY MONTEVIDEO 5321
RUEHPO/AMEMBASSY PARAMARIBO 0318
RUEHQ/AMEMBASSY QUITO 6025
RUEHSG/AMEMBASSY SANTIAGO 0655
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E.O. 12958: DECL: 03/10/2018
TAGS: ECON PGOV PREL BL
SUBJECT: BOLIVIAN MFA INSIDER: PARANOIA PREVAILS

Classified By: ADCM Mike Hammer for reasons 1.4 b,d

¶1. (C) Summary: On March 7, Emboff met with Jorge Caballero (strictly protect), a director and career member of the Ministry of Foreign Affairs. Caballero claimed that the MFA was responsible for Bolivia's neutrality in the recent tensions between Venezuela, Ecuador, and Colombia. Caballero suggested that a strong EU statement expressing concern over undemocratic efforts to push through a new constitution has the most hope of curbing the government's increasing radicalism. He opined that the government lost popular support when Movement Toward Socialism (MAS) protesters blocked opposition congress members from entering Congress on February 28. Caballero sees 2008 as tough for the government because of the difficult economic situation, and he predicts that there will be more public pressure from Brazil and Argentina due to gas shortages. Caballero claims that the government's attacks on Ambassador Goldberg are part of a planned effort to get him out of the country, due to high-level paranoia about the Ambassador's prior service in Kosovo which they view as contributing to the break up of Yugoslavia. Caballero claims that the Bolivian government can still back away from a relationship with Iran, however he admitted that President Morales has ignored the MFA on this issue before. End summary.

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Looking to the Old World for New Options
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¶2. (C) Caballero praised the Embassy for avoiding tit-for-tat exchanges with the Bolivian government over MAS accusations. According to Caballero, the best option is for the EU and other international groups to take the lead on a statement regarding the events of February 28, when MAS protesters violently blocked opposition congress members from entering Congress and MAS congress members took advantage of their majority "of those present" to ram through three controversial bills on upcoming referendums. Caballero opined that any statement from the USG would be characterized

by the Bolivian government as "pro-opposition conspiracy" and therefore would be counter-productive. According to Caballero, the recent visit from Codel Engel had no moderating impact on Bolivian government policies. Caballero feels that a forward-leaning EU statement, however, could curb MAS radicalism.

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Assaulting the Opposition (on Camera) a Step Too Far
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¶ 13. (C) According to Caballero, the government and the MAS went too far on February, and they have lost significant public support. As opposed to previous MAS actions to block the opposition from Congress and the Constituent Assembly: "This is on camera, not something they read about the day after." (Note: news footage included female congress members being physically assaulted by the MAS crowd. End note.) Caballero claims that the Bolivian government is trying to back up, looking for a way to control damage and step back from rhetoric. Caballero also opined that the public is frustrated with the government's focus on politicking, when food prices continue to rise: "people need to eat before the referendum."

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Let Them Eat Rhetoric
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¶ 14. (C) Caballero concurred with most observers' opinion: 2008 will be tough year for the MAS. He feels that people are getting tired of short-term public relations strategies and distraction attempts in the midst of the inflation spiral. He also suggested that Brazil and Argentina may soon increase their public criticism of Bolivia due to gas issues. Caballero suggested that the Bolivian government's popular success in "nationalizing" hydrocarbons and thereby taking a bigger piece of the pie for the government won't change the basic fact that Bolivia needs foreign investment to meet demand.

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Evo's Paranoia is Personal
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¶ 15. (C) Caballero said that Morales administrations constant attacks on the USG, the Mission, and the Ambassador are no accident: they are part of a concerted effort to get rid of Ambassador Goldberg. According to Caballero, a few members of Evo's inner circle actually believe that Ambassador Goldberg was the architect of a divided Yugoslavia. According to Caballero, although some in the inner circle understand that this idea is nonsensical, they don't stand up to the paranoid. Caballero suggested that the State Department should call in Bolivian Ambassador to the United States Guzman and inform him that these unfounded attacks cannot continue: the message should be "if Goldberg goes, you go." Caballero feels that Washington is also the right place to get tough on other issues, avoiding public exchanges through our Embassy in La Paz. Caballero feels that the Bolivian government needs to understand that USG concerns are the same in Washington as they are at Embassy La Paz, that the Embassy is backed by the State Department. Otherwise, he feels that the Bolivian government will continue to attack the Embassy on the false premise (which some in the Bolivian government sincerely believe) that Washington will reign in the "rogue Embassy".

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I Ran, You Ran, We All Ran From Iran...Except Evo
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¶ 16. (C) According to Caballero, it is not too late for Bolivia to reverse course on Iran: although the Iranian DCM is already in La Paz, relations will not be official until Embassies open in both countries. Since the Bolivian Embassy in Iran is not budgeted until 2009, Caballero feels there is time to reverse or scale back to commercial relations.

Caballero said that Iranian aid is trickling in at insignificant levels (old tractors and unusable radios), and he predicts little improvement. Caballero believes this may cause the government to reconsider relations as they begin to see the reality of Iran's promised \$1.1 billion in aid. According to Caballero a new MFA technical report highlights the costs of doing business with Iran. (Comment: Morales' inner circle ignored the MFA's prior Iran report, and Caballero is not optimistic they will pay attention to the MFA's new report. Since the MFA was excluded from the original decision to establish relations with Iran, it is not surprising that Caballero continues to suggest that there is room for change. There is no indication, however, that Morales or his inner circle--the real powers in this decision--are having second thoughts. End Note.)

¶17. (C) According to Caballero, an Iranian funded TV/radio station in Bolivia is a real plan, not just an "idea" as Foreign Minister Choquehuanca recently suggested publicly. Caballero confirmed that Iran will have a role in content, not just financing, and he indicated that it was no coincidence that the station will be located in Evo Morales' cocalero stronghold of the Chapare.

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MFA: Ministry of Fear and Accusations
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¶18. (C) The levels of fear and paranoia at the MFA are palpable. According to Caballero, although there have been no cases of outright political firings, officials who are perceived by MAS leadership as less enthusiastic about the MAS "change" agenda are being reassigned to low-level jobs. Officials returning from overseas (sometimes recalled) are still being put on unpaid administrative leave as a matter of practice. "If you think people are afraid to meet with you, you are right," Caballero said, adding that no one speaks openly on the phone anymore. Caballero claimed that he is not afraid because "it is my job to reach out to foreign embassies," and added that if his boss walked through the door, he would not be worried. But as Emboff left, Caballero asked that we please not mention this meeting to anyone beyond a small circle at Embassy.

GOLDBERG